

# A G E N D A

## **BUILDING COMMITTEE**

August 31, 2005  
11:00 A.M. OPS Conference Room  
1<sup>st</sup> Floor Mason Building

## **STATE ADMINISTRATIVE BOARD**

September 6, 2005  
11:00 A.M. 1921 Department of Conservation Room  
7th Floor Mason Building

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### **AWARD OF CONSTRUCTION CONTRACTS**

1. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, AUGUSTA – Fort Custer Training Center – Construct Mess Hall – Building 2502  
File No. 511/05325.AGY – Index No. 22000  
Low Responsive Bidder: Carrier Construction Company, Inc., Hickory Corners; \$641,600.00
2. DEPARTMENT OF MANAGEMENT AND BUDGET, LANSING – G. Mennen Williams Building – Mechanical Systems Replacement  
File No. 071/04105.JNS – Index No. 11571  
Low Responsive Bidder: John E. Green Company, Lansing; \$5,490,000.00
3. DEPARTMENT OF MANAGEMENT AND BUDGET, LANSING – Treasury Building – Mechanical Systems Replacement  
File No. 071/04107.JNS – Index No. 11573  
Low Responsive Bidder: Shaw-Winkler, Inc., East Lansing; \$4,860,000.00
4. DEPARTMENT OF MANAGEMENT AND BUDGET, LANSING – Constitution Hall – Build Out of Food Service Area  
File No. 071/01355.IJH – Index Nos. 44000 & 44405  
Low Responsive Bidder: Kares Construction Company, Charlotte; \$263,000.00
5. DEPARTMENT OF NATURAL RESOURCES, ROSCOMMON – North Higgins Lake State Park – Campground Road Paving  
File No. 751/05312.AGY – Index Nos. 54080 & 99020  
Low Responsive Bidder: Rieth-Riley Construction Company, Lansing; \$341,000.00
6. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, GRAND LEDGE – Grand Ledge AASF – Replace Fuel Point  
File No. 511/05277.AGY – Index No. 25000  
Low Responsive Bidder: MacKenzie Environmental Services, Inc., Grand Ledge; \$486,956.02

7. DEPARTMENT OF ENVIRONMENTAL QUALITY, DETROIT – Detroit Riverfront Promenade – Demolition of Buildings, Structures and Electro-Mechanical Equipment  
File No. 761/05254.RRD – Index No. 44021  
Low Responsive Bidder: Adamo Demolition Company, Detroit; \$580,282.00
8. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, GRAYLING – Camp Grayling Annual Training Site – Communications System Upgrade – Phase II  
File No. 511/05053.AGY – Index No. 21000  
Low Responsive Bidder: Amcomm Telecommunications, Inc., White Lake; \$375,000.00

#### **MODIFICATION TO PROFESSIONAL SERVICES CONTRACTS**

9. DEPARTMENT OF ENVIRONMENTAL QUALITY, VARIOUS LOCATIONS – Environmental Laboratory Testing Services  
File No. 761/03042.TJM - Index No. Various – Contract No. Y03089  
That TriMatrix Laboratories, Inc. of Grand Rapids, Michigan, be authorized an additional \$300,000.00 on a billing rate basis times a multiplier of 1.00, plus reimbursables, to provide environmental laboratory testing services for various sites of environmental contamination throughout Michigan.

#### **AWARD OF CONTRACT FOR PROFESSIONAL SERVICES**

10. DEPARTMENT OF ENVIRONMENTAL QUALITY, IOSCO COUNTY - Wurtsmith Air Force Base  
File No. 761/05282.SAR – Index No. 47379  
That approval be given for the award of a contract for professional services to DLZ Michigan, Inc., Lansing, Michigan, to provide professional environmental engineering remediation consulting services, technical staff and support personnel to assist the Department of Environmental Quality with the remediation/contamination clean-up activities at the former United States Wurtsmith Air Force Base in Iosco County, Michigan. Payment for professional services to be on a direct payroll basis times a multiplier of 2.7 for a cost not-to-exceed \$367,004.93.

#### **AGREEMENT FOR RESPONSE ACTIVITIES**

11. This Agreement for Response Activities at the Buckeye Products Corp., under authority of 1984 PA 431, MCL 18.1101 et seq, by and between the City of Adrian, and the Departments of Management and Budget, and Environmental Quality, will be entered to provide interim response activities to facilitate the use of property at the Facility in a manner that complies with the land use based cleanup criteria developed pursuant to Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.20101 et seq. (NREPA).

WHEREAS, the State endorses the City's proposal to delineate and monitor groundwater contaminated with chlorinated solvents and is willing to provide funds not-to-exceed \$54,078.00, to assist in the delineation and monitoring of groundwater because the continuing presence and potential migration of the contaminated groundwater at the site presents a real and present threat to the public. Monitoring will provide for the management of hazards posed by the facility.

12. This Agreement for Response Activities at the Adrian Silos, under authority of 1984 PA 431, MCL 18.1101 et seq, by and between the City of Adrian and the Departments of Management and Budget, and Environmental Quality, will be entered to provide interim response activities to facilitate the use of property at the Facility in a manner that complies with the land use based cleanup criteria developed pursuant to Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.20101 et seq. (NREPA).

WHEREAS, the State endorses the City's proposal to demolish the existing structures of the abandoned manufacturing facility and to properly dispose of all debris and is willing to provide funds not-to-exceed \$250,000.00, to assist in the demolition and removal because the continuing presence of the site structures at the site presents a real and present threat to the public. Removal will provide for the management of hazards posed by the facility.

### **REVISIONS TO CONSTRUCTION CONTRACTS**

13. DEPARTMENT OF ENVIRONMENTAL QUALITY, MIO – Mio Res Wells – Soil Vapor Extraction Systems  
File No. 761/98181.AGY – Index No. 47414  
Great Lakes Carbon Treatment, Kalkaska; CCO No. 6, Incr. \$41,864.95
14. DEPARTMENT OF ENVIRONMENTAL QUALITY, GRAND LEDGE – Bob's Marathon – O & M Groundwater Extraction  
File No. 761/98384.AGY – Index No. 43200  
Great Lakes Carbon Treatment, Kalkaska; CCO No. 6, Incr. \$99,926.75
15. DEPARTMENT OF ENVIRONMENTAL QUALITY, GLADWIN – North Buckeye Oil Field – Excavation, On-Site Treatment and Related Site Work  
File No. 761/03072.RRD – Index No. 71584  
K & D Industries, Inc., Midland; CCO No. 2, Incr. \$371,095.15
16. DEPARTMENT OF ENVIRONMENTAL QUALITY, MANCERLONA – Wickes Manufacturing TCE Plume Site – Supplemental Investigation /Monitoring Well Installation  
File No. 761/03153.RRD – Index No. 47417  
Prosonic Corporation, Fenton; CCO No. 3, Incr. \$1,803,452.01

17. DEPARTMENT OF ENVIRONMENTAL QUALITY, NEWBERRY – Old Charcoal Iron Site – Asbestos Abatement, Demolition, Excavation/Transportation and Off-Site Disposal  
File No. 761/04225.RRD – Index No. 47164  
Mike Wills Excavating & Trucking, Gwinn; CCO No. 2, Incr. \$41,844.53

#### **RENEWAL OF LEASE FOR PRIVATE PROPERTY**

18. DEPARTMENT OF STATE, LAPEER - Renewal of Lease #7453 effective December 1, 2005 through November 30, 2010 with Stacey & Stacey, Inc., a Corporation, 35270 Woodward Avenue, Birmingham, Michigan 48009, as Lessor, and the Department of State, as Lessee, for 2,475 square feet of office space located at 700 South Main Street, Building A, Lapeer, Michigan 48446. The annual per square foot rental rate for this space is \$21.35 (\$4,403.44 per month). This rate does not include electricity. This Lease contains a Standard 60-day cancellation. The Attorney General has approved this Lease as to legal form.
19. DEPARTMENT OF LABOR AND ECONOMIC GROWTH, ADRIAN – Renewal of Lease #7225 effective November 1, 2005 through October 31, 2015 with the County of Lenawee, a Governmental Unit, 301 North Main Street, Adrian, Michigan 49221, as Lessor, and the Department of Labor and Economic Growth, as Lessee, for 3,081 square feet of office space located at 1040 South Winter Street, Adrian, Michigan 49221. The annual per square foot rental rate for this space is \$14.23 (\$3,653.55 per month). This is a full service Lease. This Lease contains a Standard 120-day cancellation. The Attorney General has approved this Lease as to legal form.
20. DEPARTMENT OF TRANSPORTATION, IRON MOUNTAIN - Renewal of Lease #6333 effective August 1, 2005 through July 31, 2015 with City of Iron Mountain, A Municipality Corporation, 501 South Stephenson Avenue, and Dickinson Area Partnership, Inc, A Non-Profit Corporation, 600 South Stephenson Avenue, both located in Iron Mountain, Michigan 49801, as Lessor, and the Department of Transportation, as Lessee, for 1,625 square feet of office space located at 618 South Stephenson Avenue, Iron Mountain, Michigan 49801. The annual per square foot rental rate for this space is \$1.00 (\$0.00 per month). This rate does not include utilities, real estate taxes, or janitorial services and supplies. This Lease contains one ten-year renewal option with an annual rental rate of \$1.00. This Lease contains a Standard 60-day cancellation. The Attorney General has approved this Lease as to legal form.
21. DEPARTMENT OF STATE, BAD AXE - Renewal of Lease #7402 effective September 1, 2005 through August 31, 2010 with Gib R. and Helen E. Rooney, Husband and Wife, 968 North Van Dyke, P.O. Box 271, Bad Axe, Michigan 48413, as Lessor, and the Department of State, as Lessee, for 1,400 square feet of office space located at 33 Patrick Drive, Bad Axe, Michigan 48413. The annual per square foot rental rate for this space is \$14.29 (\$1,667.50 per month). This is a full service Lease. This Lease contains one five-year renewal option

with an annual rental rate of \$24,655.28. This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.

22. DEPARTMENT OF STATE, ROCHESTER HILLS - Renewal of Lease #7354 effective October 1, 2005 through September 30, 2010 with DKA Investments, LLC, a Limited Liability Company, 54732 Shelby Road, Shelby Township, Michigan 48316, as Lessor, and the Department of State, as Lessee, for 3,100 square feet of office space located at 2250 Crooks Road, Rochester Hills, Michigan 48309. The annual per square foot rental rate for this space is \$14.63 (\$3,780.00 per month). This rate does not include janitorial costs. This Lease contains one five-year renewal option with an annual rental rate of \$15.72 (\$4,060.00 per month). This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.

### **CONSTRUCTION CHANGE ORDER FOR LEASED PROPERTY**

23. DEPARTMENT OF STATE, MARQUETTE - Construction Change Order #2 for Lease #11108 approved by the State Administrative Board on June 24, 2005 by Item #10 between Dagenais Real Estate, Inc., as Lessor, and the Department of State, as Lessee. This Construction Change Order provides for the furnishing and installation of two sets of cabinets, as requested by the Department of State at a cost not-to-exceed \$6,517.50. The space is located at 2025 Highway US 41 West, Marquette, Michigan 49855

### **LEASE FOR PRIVATE PROPERTY**

24. DEPARTMENT OF STATE, CARO - New Lease #11167 effective December 1, 2005 through November 30, 2010 with Tuscola Medical Center, L.L.C., a Limited Liability Company, 150 Millwood Street, Caro, Michigan 48723, as Lessor, and the Department of State, as Lessee, for 2,502 square feet of office space located at 150 Millwood Street, Caro, Michigan 48723-1630. The annual per square foot rental rate for this space is \$16.66 (\$3,473.61 per month). This rate does not include janitorial. This Lease contains one five-year renewal option with an annual per square foot rental rate of \$17.16 (\$3,577.78 per month). This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.
25. DEPARTMENT OF STATE, GREENVILLE - New Lease #11168 effective December 1, 2005 through November 30, 2010 with Hathaway Properties, L.L.C., a Michigan Limited Liability Company, 276 28th Street SW, Grandville, Michigan 49431, as Lessor, and the Department of State, as Lessee, for 3,010 square feet of office space located at Marketplace Shoppes, 701 South Greenville West Drive, Suites 20 & 21, Greenville, Michigan 48838. The annual per square foot rental rate for this space is \$17.11 (\$4,291.76 per month). This is a full service Lease. This Lease contains two five-year renewal options. Effective December 1, 2010 through November 30, 2015 the annual per square foot rental rate for this space will be \$19.36 (\$4,856.13 per month). Effective December 1, 2015 through November 30, 2020 the annual per square foot rental

rate for this space will be \$21.94 (\$5,503.28 per month). This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.

#### **JURISDICTIONAL AFFIDAVITS**

26.LAND BANK FAST TRACK AUTHORITY – Requests the following property be transferred as authorized by 2003 PA 258, to the Department of Natural Resources. Further, the transfer shall be by jurisdictional affidavit.

The transferred land is located in Wayne County, Michigan and the description is on file with the State Administrative Board.

# SPECIAL AGENDA

## BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

September 6, 2005  
10:55 A.M. / 11:00 A.M. 1921 Department of Conservation Room  
7th Floor Mason Building

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### RECOMMENDATION FOR SALE AND CONVEYANCE

1. The Departments of Management and Budget (DMB) and Community Health (DCH), pursuant to 2002 PA 6, as amended (Act), recommend the Board approve the sale and conveyance of the former Northville Psychiatric Hospital property, (Property), located in Northville Township, Wayne County, Michigan to REIS, Inc. The sale is for fair market value and in accordance with the Act.

#### The Property is described as:

##### Quitclaim Deed No. 1

A parcel of land in the N ½ of sections 11 & 12, and the SW ¼ of section 11, T1S, R8E, Northville Township, Wayne County, Michigan and more particularly described as commencing at the E ¼ corner of said section 12; thence S86°48'28"W 1384.05 feet, on the E-W ¼ line of said section 12 to the point of beginning of this description; thence S86°48'28"W 1300.57 feet, on said E-W ¼ line to the center of said section 12; thence S86°53'56"W 2726.05 feet, on said E-W ¼ line to the W ¼ corner of said section 12; thence N84°54'43"W 2725.96 feet, on the E-W ¼ line of said section 11 to the center of said section 11; thence N85°00'14"W 200.15 feet, on the E-W ¼ line of said section 11; thence N01°29'26"E 1.14 feet; thence N00°00'34"W 72.00 feet; thence N49°05'26"E 131.49 feet; thence N23°49'26"E 94.98 feet; thence N07°25'34"W 69.92 feet; thence N32°28'34"W 81.37 feet; thence N15°56'34"W 309.92 feet; thence N64°56'07"W 282.85 feet; thence 2284.99 feet, on the arc of a curve to the left with a central angle of 122°12'37", a radius of 1071.28 feet, and a long chord bearing and distance of S53°56'34"W 1875.81 feet; thence S82°56'46"W 4.24 feet, to the east right of way line of the CSX railroad; thence N12°56'16"W 479.57 feet, on said railroad right of way to the E-W ¼ line of said section 11; thence N12°56'16"W 1042.64 feet, on said railroad right of way; thence N38°54'25"E 299.77 feet; thence N83°24'25"E 145.50 feet; thence N69°54'25"E 198.00 feet; thence N39°24'25"E 99.30 feet; thence N62°24'25"E 108.87 feet; thence S62°50'35"E 103.70 feet; thence S41°34'35"E 205.39 feet; thence N63°04'10"E 169.60 feet; thence N89°07'10"E 74.80 feet; thence S36°20'50"E 344.00 feet; thence S36°20'50"E

106.31 feet; thence S68°13'14"E 188.90 feet; thence S82°35'18"E 67.44 feet; thence S88°15'37"E 1017.15 feet; thence N01°56'53"E 684.47 feet; thence S89°26'24"E 699.89 feet; thence S01°57'25"W 707.88 feet; thence S89°26'24"E 490.88 feet; thence N01°57'25"E 100.07 feet; thence N14°37'29"E 219.23 feet; thence S89°26'24"E 68.17 feet; thence N07°37'01"W 1045.59 feet, to the south right of way line of Seven Mile Road; thence S89°26'24"E 1202.88 feet, on said right of way to the east line of said section 11; thence N89°45'40"E 2643.20 feet, on said right of way to the N-S ¼ line of said section 12; thence N84°12'47"E 1734.38 feet, on said right of way; thence N85°33'26"E 266.11 feet, on said right of way; thence S88°29'21"E 148.63 feet, on said right of way; thence N87°57'11"E 197.69 feet, on said right of way; thence S85°42'03"E 197.80 feet, on said right of way; thence S88°37'57"E 148.01 feet, on said right of way to the west right of way line of Haggerty Road; thence S00°00'12"W 350.00 feet, on said right of way; thence S89°59'48"E 10.00 feet, on said right of way; thence S00°00'12"W 467.43 feet, on said right of way; thence N90°00'00"W 695.16 feet; thence S36°47'34"W 1001.88 feet; thence S01°37'45"W 942.94 feet, to the point of beginning. Except for A parcel of land in the NW ¼ of section 12, T1S, R8E, Northville Township, Wayne County, Michigan and more particularly described as commencing at the W ¼ corner of said section 12; thence N86°53'56"E 1341.63 feet, on the E-W ¼ line of said section 12 to the point of beginning of this description; thence N00°00'00"E 415.61 feet; thence N89°19'04"E 475.75 feet; thence S00°00'00"W 395.50 feet, to said E-W ¼ line; thence S86°53'56"W 476.41 feet, on said E-W ¼ line to the point of beginning; and

#### Quitclaim Deed No. 2, Power Plant Site

A parcel of land in the NW ¼ of section 12, T1S, R8E, Northville Township, Wayne County, Michigan and more particularly described as commencing at the W ¼ corner of said section 12; thence N86°53'56"E 1341.63 feet, on the E-W ¼ line of said section 12 to the point of beginning of this description; thence N00°00'00"E 415.61 feet; thence N89°19'04"E 475.75 feet; thence S00°00'00"W 395.50 feet, to said E-W ¼ line; thence S86°53'56"W 476.41 feet, on said E-W ¼ line to the point of beginning.

#### **Purpose/Business Case**

This Property has been previously offered for sale. Factors such as the environmental contamination and township demands have consistently impacted the ability to close the prior sales. The State's current appraisal of the Property indicates an estimated Fair Market Value range of \$31,500,000 to \$41,650,000 with the contamination's remediation cost estimate and the township's demands included as factors impacting value.



On July 11, 2005, DMB entered into a contract with Fisher Auction Co. Inc., to sell the Property on August 30, 2003 by public auction. On August 16, 2005, the State Administrative Board pre-approved the sale of this Property by auction in order to facilitate a sales closing in this 2005 fiscal year.

The auction was a two-step process in which bidders were to submit bids on August 29, 2005 and up to 5 of the highest bidders submitting a conforming bid were to be invited to participate in the August 30, 2005 live auction. Only two bids were submitted of which one was non-conforming. That only one conforming bid was submitted was surprising in light of the interest the auction had generated—20 entities had purchased bid packages, a prerequisite to submitting a bid. With only one conforming bid the live auction was unnecessary and was canceled. The State reserved the right under Section 2 of the auction Terms and Conditions to “. . . to take the best initial offer and NOT offer the Property at the Best and Final Live auction. . .”. DMB and the REIS-Northville, LLC, the conforming bidder, have agreed upon satisfactory terms of sale. The sale price is \$31,500,000 with \$25,000,000 paid at closing and a \$6,500,000 paid four years after closing pursuant to a land contract between the State and REIS-Northville, LLC.

DMB recommends that the sale and conveyance of the Property be approved in order to complete the sale and the State receive the \$25,000,000 in this fiscal year.

**Benefit**

The approval of this recommendation, generates revenue to the State; returns surplus property to productive use, and relieves the state of further operational costs and ownership responsibilities.

**Funding Source/Commitment Level**

N/A

**Risk Assessment**

Failure to approve the sale would result in loss of revenue to the State and the continuing burdens of ownership.

**Zip Code**

48167

**LEASE FOR PRIVATE PROPERTY**

2. DEPARTMENT OF STATE, LIVONIA, MICHIGAN - New Lease #11144 effective November 1, 2005 through October 31, 2015 with Burton Hollow Plaza, LLC, a Limited Liability Company, 4749 Tara Court, West Bloomfield, Michigan 48323, as Lessor, and the Department of State, as Lessee, for 7,500 square feet of office space located at Burton Hollow Plaza, 17176 Farmington Road, Livonia, Michigan 48153. The annual per square foot rental rate for this space is \$18.00 (\$11,250.00 per month). This rate does not include utilities, janitorial, replacement of interior tubes/bulbs, trash removal, telecommunications system and equipment, intrusion alarm system monitoring or pest control. This Lease does include annual adjustments for real estate taxes and operating expenses. This Lease contains a Standard 90-day cancellation. The Attorney General has approved this Lease as to legal form.

**Purpose/Business Case**

This Lease will accommodate the Department of State's relocation into a larger "Super Center Office" to meet customer needs. Lease #7895, located at 29596-A Seven Mile Road, Livonia, and Lease #7171, located at 19227 Newburgh Road, Livonia, will be cancelled with staff relocating into Lease #11144, located at 17176 Farmington Road, Livonia.

**Benefit**

The relocation of these offices into a larger "Super Center Office" allows the Department to achieve its Optimization Plan. Operational and administrative cost savings will be achieved. The rental rate is within the current market rate for this market.

**Funding Source**

74% Restricted Funds; 26% General Fund

**Commitment Level**

Ten years

**Risk Assessment**

Non-approval of this Lease will hinder the Department from meeting its Optimization Plan.

**Zip Code**

48153